

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7049

BILL NUMBER: HB 1593

NOTE PREPARED: Jan 27, 2015

BILL AMENDED:

SUBJECT: Automated Record Keeping Fee.

FIRST AUTHOR: Rep. Mayfield

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill has the following provisions:

- A. It provides that, with certain exceptions, the \$5 automated record keeping fee (Fee) collected by the clerk of a circuit court after June 30, 2015, is distributed as follows: (1) 20% of the fee is distributed to the Auditor of State for deposit in the state user fee fund. (2) 80% of the fee is distributed to the county auditor for deposit in the clerk's record perpetuation fund.
- B. It provides that, with certain exceptions, the \$5 fee collected by the clerk of a city or town court after June 30, 2015, is distributed as follows: (1) 20% of the fee is distributed to the Auditor of State for deposit in the state user fee fund. (2) 80% of the fee is distributed to the city or town fiscal officer for deposit in the clerk's record perpetuation fund.
- C. It extends the collection of the \$5 fee: (1) collected with respect to actions resulting in the accused person entering into a pretrial diversion program agreement or deferral program agreement; and (2) deposited in the homeowner protection unit account; until July 1, 2017.
- D. It makes conforming amendments.

Effective Date: July 1, 2015.

Explanation of State Expenditures: *Summary-* The bill is expected to result in a revenue loss of \$2.79 M for the State User Fee Fund and \$340,000 increase for the Homeowner Protection Unit Account over what would occur under current statute.

Additional Information- Revenue from the automated record keeping fee is deposited into three different funds.

- First, a \$5 automated record keeping fee is charged when persons agree to enter into infraction deferral and misdemeanor diversion programs. Proceeds from this fee are currently deposited into the homeowner protection unit account, but will begin to be deposited into the State User Fee Fund beginning July 1, 2015, under current statute.
- Second, a \$5 fee (effective July 1, 2015) is charged for all other cases. All proceeds from this fee are deposited in the State User Fee Fund if the county operates under the Odyssey Case Management System, the state's automated judicial system.
- Third, if the county does not operate under the state's automated judicial system, the State User Fee Fund receives 80% of the fee and the clerk's record perpetuation fund receives 20%.

As proposed, 20% of the automated record keeping fee would be deposited in the State User Fee Fund, effective July 1, 2015. In effect, the State User Fee Fund would lose revenue from the following changes:

1. *Revenue from Counties* – As proposed, the state user fee fund would receive 20% of all revenue generated by the automated record keeping fee, except for the revenue associated with infraction deferral and misdemeanor diversion programs. The revenue loss is estimated to be \$1.97 M.
2. *Revenue from Deferrals and Diversions* – A transfer of fee revenue into the State User Fee Fund from infraction deferrals and misdemeanor diversions when the provision for the homeowner protection account expires on June 30, 2015, would be extended to June 30, 2017, resulting in a revenue loss of \$340,000 for the state user fee fund for FY 2016 and 2017 and an increase of \$340,000 for the homeowner protection unit account.
3. *Revenue from City and Town Courts* – Currently, 100% of the automated record keeping fee from city and town courts is deposited into the State User Fee Fund. As proposed, 80% of the fee revenue would be deposited into the clerk record perpetuation fund, while 20% would be deposited into the State User Fee Fund. The revenue loss to the state user fee fund is estimated to be \$480,000.

Effect (in \$ M) on State User Fee Fund			
	Expected Under Current Law	Estimated Changes	Difference
Revenue from Counties	\$2.46	\$0.49	(\$1.97)
Revenue from Deferrals and Diversions	\$0.34	\$0.00	(\$0.34)
Revenue from City and Town Courts	\$0.61	\$0.12	(\$0.48)
Total Effect	\$3.41	\$0.61	(\$2.79)

Explanation of Local Expenditures:

Explanation of Local Revenues: Summary- The bill is estimated to result in a net increase of \$2.26 M to the clerk record perpetuation funds.

Additional Information-

Revenue from Counties – Under current law, 20% of the revenue from the automated record keeping fee is deposited into the clerk record perpetuation fund in counties that do not operate under the automated judicial system. As proposed, 80% of the automated record keeping fee would be deposited into the clerk record perpetuation fund from all counties, regardless of whether they operate under the automated judicial system.

Revenue from City and Town Courts – Under current law, no revenue from the automated record keeping fee collected in city or town courts is deposited into the clerk record perpetuation fund. As proposed, 80% of the automated record keeping fee will be deposited into the clerk record perpetuation fund.

The following table shows how this net change in the revenue to the clerk record perpetuation fund is estimated.

Effect (in \$ M) on Clerk's Record Perpetuation Fund			
	Under Current Law	Estimated Changes	Difference
Revenue from Counties	\$0.20	\$1.97	\$1.78
Revenue from City and Town Courts	\$0.00	\$0.49	\$0.49
Total Effect	\$0.20	\$2.46	\$2.26

The clerk's record perpetuation fund currently receives revenue from these five sources:

1. Fees for transmitting documents by facsimile machine to a person under IC 5-14-3.
2. Document storage fees (currently \$2 and proposed to be increased to \$4 by this bill).
3. Certain late payment fees (IC 33-37-7-2).
4. Fees required under IC 29-1-7-3.1 for deposit of a will.
5. 20% of the automated record keeping fees in counties that do not operate under the state's judicial automated system.

State Agencies Affected: Auditor of the State.

Local Agencies Affected: Clerks of the circuit court.

Information Sources: Division of State Court Administration, Indiana Supreme Court Website
<http://www.in.gov/judiciary/admin/2467.htm>

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